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Thirtieth session

SUMMARY RECORD OF THE 7th MEETING

Held at the Vienna International Centre, Vienna,
on Thursday, 23 June 2005, at 7.55 p.m.

President: Mr. STELZER (Austria)

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The meeting was called to order at 7.55 p.m.

STATEMENTS BY MINISTERS AND OTHER DIGNITARIES

1. **Mr. MOLINA SARDAN** (Vice-Minister for Industry, Commerce and Exports of Bolivia) said that the low growth rate of his country's economy in recent years had aggravated poverty, increased inequalities and generated limited economic and social opportunities for wide groups of Bolivia's population. The consequences had been social polarization and greater political and social instability, which had become a threat to democracy and peace. Bolivia was now working towards a national consensus, focusing on national problems in a shared vision embracing the entire population and aimed at accelerating the rate of economic growth. Within the past month, the Government had developed and approved the "Plan Bolivia Productiva y Solidaria", which would lead to a country that was productive and competitive, integrated into commercial agreements and treaties, environmentally sound, with a good rate of growth and meeting the challenges of globalization and economic openness. There would be equitable access to basic social services, productive and stable employment, lower levels of poverty and full observance of human rights for the entire population.

2. The Plan had five objectives: to develop exports and negotiate effective access to external markets; to strengthen the internal market and create sustainable patterns of employment; to improve national productivity and competitiveness; to maintain the continuity of macroeconomic stability; and to establish financial institutions geared to productive and competitive development. The State had three new roles to perform: to provide impetus, to set strategy and to establish norms and regulations. Recent decrees had established the normative frameworks both for the national strategy for the development of manufacturing industry and for the national policy for the development of exports, external integration, economic and commercial promotion and effective access to markets.

3. As for Bolivia's international cooperation for development, it had not matched expectations. With the existing coordination mechanism, the intention was to move ahead at the pace required towards achievement of the Millennium Development Goals and focus on the production sector, which generated employment and income, while also strengthening progress in the social sectors. For Bolivia, the priority was to achieve greater efficiency and effectiveness in the allocation of existing resources, as well as to seek new resources.

4. By merely exporting raw materials, Bolivia had not been able to generate multiplier effects. The time had come for it to give added value to its natural wealth so that it could industrialize and generate sufficient resources to benefit the entire population, overcoming income distribution inequalities, eliminating poverty and thereby avoiding social confrontations. The role of international financial institutions should be more active, and rigid policies that gave rise to conflicts should be avoided. More effective international support was needed in the shape of high-impact programmes and projects that contributed to the development of production and exports and generated sustainable employment.

5. A UNIDO Desk had recently been opened in the office of the United Nations Development Programme in Bolivia, and a programme to promote the country's private sector was being designed. In Bolivia, the private sector was closely allied with the public sector. Extended cooperation between Bolivia and UNIDO was needed. His Government was proposing an integrated programme to: enhance the competitiveness and quality of the country's industrial sector, improving services to enterprises, especially exporters; build capacity for technological development through the establishment of an effective institutional infrastructure for technology dissemination; and attract and generate investment for the development of two special economic areas.

INTRODUCTION OF DRAFT DECISIONS (IDB.30/L.2-L.9 and L.11-L.13)

6. **The PRESIDENT** said that draft decisions on the various agenda items had been considered in informal consultations chaired by Mr. Bazoberry (Bolivia), whom he would ask to report.

7. **Mr. BAZOBERRY** (Bolivia), speaking as chairman of the informal consultations, said that the Board had faced a number of challenges on several issues at the beginning of the session. In particular, there had been two items on which the Programme and Budget Committee had been unable to reach a consensus. As a result, the informal consultations had often been characterized by arduous debate. However, the spirit of cooperation that had prevailed had permitted consensus to be reached on most of the drafts to be submitted for consideration by the Board.

8. Regarding agenda item 4 (c) ("Scale of assessments for appointment of the regular budget expenses for the biennium 2006-2007"), he said that the delegation of Mexico had joined the consensus but had requested that its view that UNIDO should not automatically apply the recent scale of assessments adopted by the United Nations General Assembly be reflected in the record of the meeting.

9. On item 4 (e) ("Appointment of an External Auditor"), he said that the participants in the consultations had considered a proposal submitted by the European Union and co-sponsored by the African Group but had failed to reach a consensus. The European Union delegation had noted its intention to refer the matter to the General Conference.

10. Finally, he expressed his thanks to the participants in the informal consultations and, in particular, to the Chairperson of the Programme and Budget Committee, for their hard work.

ANNUAL REPORT OF THE DIRECTOR-GENERAL FOR 2004 (*continued*) (IDB.30/2 and Add.1; IDB.30/21; IDB.30/CRP.2)

11. No draft decision having been submitted under the item, **the PRESIDENT** proposed that the Board take note of the documentation provided by the Secretariat.

12. *It was so decided.*

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE (*continued*) (IDB.30/22)

(a) INTERIM REPORT OF THE EXTERNAL AUDITOR, FINANCIAL PERFORMANCE REPORT AND PROGRAMME PERFORMANCE REPORT FOR THE BIENNIUM 2004-2005 (*continued*) (IDB.30/2 and Add.1; IDB.30/8; IDB.30/9)

13. No draft decision having been submitted under the sub-item, **the PRESIDENT** proposed that the Board take note of the documentation provided by the Secretariat.

14. *It was so decided.*

(b) FINANCIAL SITUATION OF UNIDO (*continued*) (IDB.30/10, IDB.30/13; IDB.30/CRP.8; IDB.30/L.2)

15. **The PRESIDENT** drew attention to draft decision IDB.30/L.2.

16. *The draft decision was adopted.*

(c) SCALE OF ASSESSMENTS FOR APPORTIONMENT OF THE REGULAR BUDGET EXPENSES FOR THE BIENNIUM 2006-2007 (*continued*) (IDB.30/7; IDB.30/L.3)

17. **The PRESIDENT** drew attention to draft decision IDB.30/L.3.

18. *The draft decision was adopted.*

(d) WORKING CAPITAL FUND FOR THE BIENNIUM 2006-2007 (*continued*) (IDB.30/3; IDB.30/L.4)

19. **The PRESIDENT** drew attention to draft decision IDB.30/L.4.

20. *The draft decision was adopted.*

(e) APPOINTMENT OF AN EXTERNAL AUDITOR (*continued*) (IDB.30/5 and Add.1-4)

21. No draft decision having been submitted under the sub-item, **the PRESIDENT** proposed that the Board take note of the documentation provided by the Secretariat.

22. *It was so decided.*

(g) MOBILIZATION OF FINANCIAL RESOURCES (*continued*) (IDB.30/2, chapter VI)

23. No draft decision having been submitted under the sub-item, **the PRESIDENT** proposed that the Board take note of the documentation provided by the Secretariat.

24. *It was so decided.*

(h) FINANCIAL REGULATIONS (*continued*) (IDB.30/4; IDB.30/L.5)

25. **The PRESIDENT** drew attention to draft decision IDB.30/L.5.

26. *The draft decision was adopted.*

IMPLEMENTATION OF THE MEDIUM-TERM PROGRAMME FRAMEWORK, 2004-2007 (*continued*) (IDB.30/16; IDB.30/CRP.3 and CRP.7)

27. No draft decision having been submitted under the item, **the PRESIDENT** proposed that the Board take note of the documentation provided by the Secretariat.

28. *It was so decided.*

IMPLEMENTATION OF THE RECOMMENDATIONS OF THE EXTERNAL AUDITOR (*continued*) (IDB.30/8)

29. No draft decision having been submitted under the item, **the PRESIDENT** proposed that the Board take note of the documentation provided by the Secretariat.

30. *It was so decided.*

IMPLEMENTATION OF THE COOPERATION AGREEMENT WITH THE UNITED NATIONS DEVELOPMENT PROGRAMME (*continued*) (IDB.30/17; IDB.30/CRP.6)

31. No draft decision having been submitted under the item, **the PRESIDENT** proposed that the Board take note of the documentation provided by the Secretariat.

32. *It was so decided.*

MEDIUM-TERM PROGRAMME FRAMEWORK, 2006-2009 (*continued*) (IDB.30/L.11)

33. **The PRESIDENT** drew attention to draft decision IDB.30/L.11.

34. *The draft decision was adopted.*

UNIDO STRATEGIC LONG-TERM VISION (*continued*) (IDB.30/23; IDB.30/L.12)

35. **The PRESIDENT** drew attention to draft decision IDB.30/L.12.

36. *The draft decision was adopted.*

ACTIVITIES OF THE JOINT INSPECTION UNIT (*continued*) (IDB.30/14)

37. No draft decision having been submitted under the item, **the PRESIDENT** proposed that the Board take note of the documentation provided by the Secretariat.

38. *It was so decided.*

PERSONNEL MATTERS (*continued*) (IDB.30/2, appendix L; IDB.30/15; IDB.30/CRP.4 and CRP.9; IDB.30/L.6)

39. **The PRESIDENT**, drawing attention to draft decision IDB.30/L.6, pointed out that two posts of alternate members of the Staff Pension Committee for the biennium 2006-2007 remained vacant. Following adoption of the draft decision, the Secretariat would continue consultations with a view to identifying candidates for those posts.

40. *The draft decision was adopted.*

MATTERS RELATED TO INTERGOVERNMENTAL, NON-GOVERNMENTAL, GOVERNMENTAL AND OTHER ORGANIZATIONS (*continued*)

41. No draft decision having been submitted under the item, **the PRESIDENT** proposed that the Board take note of the information contained in the annotated agenda.

42. *It was so decided.*

PREPARATIONS FOR THE ELEVENTH SESSION OF THE GENERAL CONFERENCE (*continued*) (IDB.30/18; IDB.30/L.7)

43. **The PRESIDENT** drew attention to draft decision IDB.30/L.7.

44. *The draft decision was adopted.*

PROVISIONAL AGENDA AND DATE OF THE THIRTY-FIRST SESSION (*continued*) (IDB.30/CRP.5; IDB.30/L.8)

45. **The PRESIDENT** drew attention to draft decision IDB.30/L.8.

46. **Mr. REZVANIAN RAHAGHI** (Islamic Republic of Iran) proposed the inclusion of a new agenda item entitled "Implementation of the cooperation agreement with the United Nations Development Programme".

47. **Mr. FRANGIEH** (Observer for Lebanon) proposed the inclusion of an agenda item entitled "Implementation of the medium-term programme framework 2004-2007", including "South-South cooperation".

48. **The PRESIDENT** said that, if he heard no objection, he would take it that the Board wished to adopt the draft decision with the additions proposed by the delegations of the Islamic Republic of Iran and Lebanon.

49. *It was so decided.*

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE (*continued*) (IDB.30/22)

(f) SECURITY ENHANCEMENTS AND PROPOSED NEW CONFERENCE FACILITIES (*continued*) (IDB.30/11, IDB.30/12 and Add.1 and 2; IDB.30/L.13)

50. **The PRESIDENT** noted that the draft decision contained in document IDB.30/L.13 still contained square brackets around paragraph (f), on which agreement had not been reached. Perhaps the Board could adopt the remainder of the text and defer the bracketed paragraph to the General Conference.

51. **Mr. REZVANIAN RAHAGHI** (Islamic Republic of Iran) said that informal consultations between the Group of 77 and the European Union had resulted in a new text, which he suggested should be circulated.

52. **The PRESIDENT** said that the lateness of the hour precluded circulation of the new text. The new proposal could perhaps be included in square brackets as an alternative to the present bracketed text.

53. **Mr. MORIMOTO** (Japan) said that, as he understood matters, the proposal was to replace paragraphs (e) and (f) of the draft contained in document IDB.30/L.13 by a single paragraph, which would be the new paragraph (e). He did not think that the proposed new paragraph would prove contentious.

54. **Mr. FRANGIEH** (Observer for Lebanon) said that the proposal was in fact to replace paragraphs (e) and (f) by the following: "Recommends to the General Conference the adoption of the supplementary estimates for 2004-2005, as presented in documents IDB.30/12-PBC.21/12, for phase I, phase II and window replacement, amounting to €2,585,160. The remaining amount of €215,670 required for window replacement as presented in document IDB.30/12/Add.1 shall be financed from savings achieved in the biennium 2004-2005".

55. **The PRESIDENT** said that, if he heard no objection, he would take it that the Board wished to adopt the draft decision with the amendment just read out.

56. *It was so decided.*

PROGRAMME AND BUDGETS, 2006-2007 (*continued*) (IDB.30/6, IDB.30/24, IDB.30/L.9)

57. **The PRESIDENT** drew attention to draft decision IDB.30/L.9.

58. *The draft decision was adopted.*

59. **The PRESIDENT** thanked all delegations for their cooperation in achieving a consensus on the programme and budget recommendations.

60. **Mr. MORIMOTO** (Japan) thanked the President, the Chairperson of the Programme and Budget Committee, the Director-General and the Managing Director of the Division of Administration for all their hard work which had made possible the adoption of the decision. The consensus that had been achieved would help Mr. Yumkella, the Director-General designate, when he took up his duties. Meanwhile, the current Director-General would have the responsibility of preparing a revised draft of the programme and budgets for submission to the General Conference in December.

61. **Mr. CHIKANDA** (Zimbabwe) said that the countries of the Group of 77 would have preferred to see the budget adopted at the original level, since any reduction would inevitably affect efficiency. However, they had agreed to the revised figures in the interests of consensus.

62. **Mr. FABER** (Luxembourg), speaking on behalf of the European Union, congratulated all concerned on the successful outcome of the budget negotiations, and reiterated his full support for the Director-General designate.

63. **Ms. LAL LOKESH** (India) congratulated the President, the chairperson of the informal consultations and the Secretariat on making possible a consensus decision.

64. **Mr. EL MEKWAD** (Egypt), speaking on behalf of the African Group, welcomed the adoption of the decision and thanked all representatives who had supported the candidature of Mr. Yumkella for the post of Director-General.

ADOPTION OF THE REPORT (IDB.30/L.1)

65. **Mr. KOFFI** (Côte d'Ivoire), Rapporteur, introducing document IDB.30/L.1, said that the draft report was incomplete because of the limited time available. The final version would be compiled in close consultation with the Friends of the Rapporteur and would duly reflect the proceedings of the session, including the decisions that had just been adopted.

66. **The PRESIDENT** said that, if he heard no objection, he would take it that the Board wished to adopt the draft report as a whole on the understanding that the Rapporteur would finalize it in consultation with the Friends of the Rapporteur as soon as possible after the closure of the session.

67. *It was so decided.*

CLOSURE OF THE SESSION

68. **Ms. HIROSE** (Deputy to the Director-General and Managing Director, Programme Coordination and Field Operations Division) apologized for the Director-General's unavoidable absence and, on his behalf, thanked all participants for their constructive contributions to the debate and for the important decisions taken. Both she and Mr. Magariños congratulated Mr. Yumkella on his nomination as the next Director-General and looked forward to his formal appointment at the next session of the General Conference.

69. **The PRESIDENT** thanked Board members and observers, the Bureau, the chairperson of the Programme and Budget Committee and all staff members for their contribution to the work of the session. As a representative of the host country, he had always felt a special pride in UNIDO and wanted it to succeed.

70. He declared the thirtieth session of the Industrial Development Board closed.

The meeting rose at 9.25 p.m.